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CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
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 12 ORACLE AMERICA, INC.

13 UNITED STATES DISTRICT COURT
 14 NORTHERN DISTRICT OF CALIFORNIA

15 ORACLE CORPORATION, a Delaware
 16 corporation, and ORACLE AMERICA, INC., a
 17 Delaware corporation,
 18 Plaintiffs,
 19 v.
 20 ORG STRUCTURE INNOVATIONS LLC, a
 21 Texas limited liability company, and PAUL
 22 MORINVILLE, an individual resident of
 23 Indiana,
 24 Defendants.

CASE NO: **CV 11 3549**

COMPLAINT FOR:

- 1) **Breach of Contract; and**
- 2) **Breach of Covenant of Good Faith
 and Fair Dealing.**

DEMAND FOR JURY TRIAL

25 Plaintiffs Oracle Corporation and Oracle America, Inc. (collectively "Oracle") for their
 26 Complaint against defendants ORG Structure Innovations LLC ("ORG Structure") and Paul
 27

1 Morinville ("Morinville") (collectively "Defendants") allege, on knowledge with respect to their
 2 own acts and on information and belief with respect to all other matters, as follows:

3 **NATURE OF THE ACTION**

4 1. This is an action for breach of contract and breach of the covenant of good faith and fair
 5 dealing pursuant to the common law and statutes of the State of California.

6 **THE PARTIES**

7 2. Plaintiff Oracle Corporation is a Delaware corporation with its principal place of
 8 business in Redwood Shores, California.

9 3. Plaintiff Oracle America, Inc. is a Delaware corporation with its principal place of
 10 business in Redwood Shores, California.

11 4. Defendant ORG Structure Innovations LLC is a Texas limited liability company with
 12 its principal place of business in Woodway, Texas.

13 5. Upon information and belief, Defendant Paul Morinville is a resident of La Porte,
 14 Indiana. Defendant Morinville is the named inventor of U.S. Patent No. 7,185,010 and related
 15 patents U.S. Patent Nos. 7,685,156 and 7,822,822 (collectively, the "Morinville Patents").

16 **JURISDICTION AND VENUE**

17 6. This Court has jurisdiction over the subject matter of Oracle's claims for breach of
 18 contract and breach of the covenant of good faith and fair dealing under 28 U.S.C. § 1332 because
 19 the action involves citizens of different states and the matter in controversy exceeds the sum of
 20 \$75,000, exclusive of interest and costs.

21 7. This Court has personal jurisdiction over Defendants because Defendants and/or their
 22 predecessors in interest entered into a license agreement in which they irrevocably consented to the
 23 jurisdiction of this Court. Additionally, Defendants' acts giving rise to all or part of this complaint
 24 took place in this District.

25 8. Venue is proper in this Court under 28 U.S.C. § 1391 because a substantial part of the
 26 events giving rise to the claims asserted in this complaint arose in this District, and because

1 Defendants are subject to personal jurisdiction in this District. Furthermore, Defendants have
 2 contractually agreed that venue in this District is proper.

3 **ALLEGATIONS APPLICABLE TO ALL CLAIMS**

4 9. Oracle develops, manufactures, markets, distributes, and services enterprise software,
 5 including database and middleware software.

6 10. In addition to developing its own software, Oracle has, over the years, acquired other
 7 enterprise software companies. One such acquisition took place in September 2007, when Oracle
 8 acquired Bridgestream, Inc.

9 11. At the time of the acquisition, Bridgestream was a provider of enterprise role
 10 management software.

11 12. Shortly before the Oracle acquisition, Bridgestream entered into a license agreement
 12 with Defendant Morinville and Internet Business InfoStructure Group, Inc. (collectively, the
 13 "Morinville Parties"), dated August 9, 2007 (the "Agreement").

14 13. Upon information and belief, at the time of the Agreement, the Morinville Parties were
 15 aware that Bridgestream might be acquired, and the Agreement was structured to ensure that its
 16 protections would extend to the acquiring company. For that reason, the Agreement contained
 17 license grants and covenants not to sue protecting not only Bridgestream but also any company that
 18 acquired Bridgestream. Among other things, the Agreement provides certain protections to
 19 Affiliates, which, as defined under the Agreement, include Oracle.

20 14. In the Agreement, the Morinville Parties granted Bridgestream and its Affiliates a
 21 worldwide, perpetual, non-exclusive and royalty-free license to the Morinville Patents with respect
 22 to the products and services in the Licensed Field, as defined in the Agreement.

23 15. In addition, the Agreement contained a warranty and irrevocable covenant by the
 24 Morinville Parties that current or future products or services of Bridgestream and its Affiliates in the
 25 Licensed Field would be immune from suit under the Morinville Patents.

1 16. In consideration for these and other promises, Bridgestream agreed to pay a license fee
 2 to the Morinville Parties in an amount exceeding \$75,000. Bridgestream and/or Oracle subsequently
 3 paid all license fees required by the Agreement.

4 17. Defendant Morinville assigned the Morinville Patents on or about March 17, 2011, to
 5 ORG Structure for consideration of one dollar. Under the Agreement, ORG Structure was required
 6 to agree in writing to be bound by the Agreement.

7 18. ORG Structure had been formed only two days before the assignment, on March 15,
 8 2011, as a Texas limited liability company. Upon information and belief, Defendant Morinville
 9 participated in or otherwise encouraged the incorporation of ORG Structure.

10 19. Upon information and belief, Morinville caused the creation of OrgStructure, LLC, an
 11 Indiana limited liability company, on April 20, 2011. Morinville is the registered agent for
 12 OrgStructure, LLC.

13 20. On May 17, 2011, ORG Structure filed a civil action, No. 1:11-cv-3307, against Oracle
 14 in the U.S. District Court for the Northern District of Illinois (the “Illinois Action”).

15 21. The assignment of the Morinville Patents to ORG Structure was not recorded with the
 16 U.S. Patent and Trademark Office until May 19, 2011—two days after the Illinois Action was filed.

17 22. In the Illinois Action, ORG Structure alleges that Oracle is willfully infringing the
 18 Morinville Patents by making, using, importing, selling, and/or offering for sale in the United States
 19 multiple Oracle products. Upon information and belief, all of the products accused in the Illinois
 20 Action are within the Licensed Field.

21 23. Upon information and belief, Morinville maintains an economic interest in ORG
 22 Structure whether as a consultant, investor, owner or a potential recipient of license fees or other
 23 revenue associated with ORG Structure’s assertion of the Morinville Patents. Upon information and
 24 belief, Morinville personally controls and directs the activities of Defendant ORG Structure or
 25 otherwise acts jointly on behalf of or for the benefit of himself and ORG Structure.

26 24. Upon information and belief, Defendant Morinville participated in or otherwise
 27 encouraged the incorporation of ORG Structure for the purpose of asserting the Morinville Patents

1 against Oracle and avoiding his personal obligations under the Agreement, including, but not limited
 2 to, the covenant not to sue. As such, Morinville acts as an alter ego of ORG Structure in connection
 3 with the filing of the Illinois Action, and treating Morinville and ORG Structure as separate entities
 4 would be inequitable and unjust to Oracle because, *inter alia*, Oracle would be left without a remedy
 5 for Morinville's actions in breach of the Agreement.

6 25. By filing the Illinois Action against Oracle, Defendants are depriving Oracle of all or a
 7 substantial part of the Agreement's value.

8 **FIRST CLAIM FOR RELIEF: BREACH OF CONTRACT**

9 26. Oracle incorporates by reference the allegations in paragraphs 1-25 above.

10 27. The Agreement, dated August 9, 2007, is in force among Morinville, ORG Structure
 11 and Oracle, either as signatories or successors to signatories of the Agreement.

12 28. Oracle and its predecessor have performed all conditions, covenants, and promises to
 13 be performed by it and its predecessor under the Agreement.

14 29. By initiating the Illinois Action in violation of the covenant not to sue and license grant
 15 in the Agreement, Defendant ORG Structure, as a successor in interest, and Defendant Morinville, in
 16 his individual capacity and/or as an alter ego of ORG Structure, have breached the provisions of the
 17 Agreement.

18 30. As a direct and proximate result of Defendants' breach of the Agreement, Oracle has
 19 been damaged in an amount to be determined at trial. Oracle will be further damaged by
 20 Defendants' breach of the Agreement so long as Defendants continue to assert claims for
 21 infringement of the Morinville Patents against Oracle.

22 31. Defendants are jointly and severally liable to Oracle for their breach of the Agreement.

23 **SECOND CLAIM FOR RELIEF: BREACH OF COVENANT OF GOOD FAITH**

24 **AND FAIR DEALING**

25 32. Oracle incorporates by reference the allegations in paragraphs 1-25 above.

26 33. The Agreement, dated August 9, 2007, is in force among Morinville, ORG Structure
 27 and Oracle, either as signatories or successors to signatories of the Agreement.

1 34. Oracle is a successor in interest to the rights and benefits flowing to Bridgestream
 2 under the Agreement.

3 35. Defendant Morinville and his successors had an implied duty under the Agreement to
 4 deal with Bridgestream and its successors fairly and in good faith.

5 36. Oracle and its predecessor have performed all conditions, covenants, and promises to
 6 be performed by it and its predecessor under the Agreement.

7 37. By participating in or otherwise encouraging the incorporation of ORG Structure for
 8 the purpose of asserting the Morinville Patents against Oracle and avoiding his personal obligations
 9 under the Agreement, Defendant Morinville acted in bad faith to unfairly deprive Oracle of the rights
 10 and benefits of the Agreement. By initiating and/or participating in the Illinois Action, Defendant
 11 ORG Structure, as a successor in interest, and Defendant Morinville, in his individual capacity
 12 and/or as an alter ego of ORG Structure, have further interfered with Oracle's right to receive the
 13 benefits of the Agreement. In so doing, Defendants have breached the covenant of good faith and
 14 fair dealing.

15 38. As a direct and proximate result of Defendants' breach of the covenant of good faith
 16 and fair dealing, Oracle has been damaged in an amount to be determined at trial. Oracle will be
 17 further damaged by Defendants' breach of the covenant of good faith and fair dealing so long as
 18 Defendants continue to assert claims for infringement of the Morinville Patents against Oracle.

19 39. Defendants are jointly and severally liable to Oracle for their breach of the covenant of
 20 good faith and fair dealing implicit in the Agreement.

21
DEMAND FOR JURY TRIAL

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 Oracle hereby requests a trial by jury for all issues so triable.

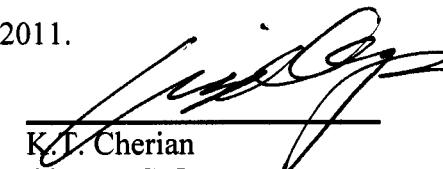
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DEMAND FOR JUDGMENT

26 WHEREFORE, Oracle respectfully requests that this Court:

27 A. Enter judgment in Oracle's favor on the claims asserted in this Complaint;

1 B. Find that Defendants' conduct constitutes a breach of the Agreement and breach of the
2 covenant of good faith and fair dealing;
3 C. Find Defendants jointly and severally liable for breach of the Agreement and breach of
4 the covenant of good faith and fair dealing;
5 D. Award Oracle damages in excess of the sum of \$75,000, according to proof shown at
6 trial;
7 E. Order Defendants to dismiss the Illinois Action with prejudice;
8 F. Award Oracle costs, reasonable attorneys' fees, and interest permitted by law; and
9 G. Award Oracle any further legal or equitable relief as the Court deems just and proper
10 under the circumstances.

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12 Respectfully submitted on July 19, 2011.

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